



County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
<http://cao.co.la.ca.us>

DAVID E. JANSSEN  
Chief Administrative Officer

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

April 18, 2006

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**NOTICE OF INTENTION TO PURCHASE REAL PROPERTY  
FOR REGISTRAR-RECORDER/COUNTY CLERK  
12680-12686 CORRAL PLACE, CITY OF SANTA FE SPRINGS  
(FIRST DISTRICT) (4 VOTES AT PUBLIC HEARING)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Declare the intent to purchase a 99,494 square foot warehouse/service center complex owned by David Tung and Grace Tung, located at 12680-12686 Corral Place, City of Santa Fe Springs, California, for the Registrar-Recorder/County Clerk (RR/CC) for the purchase price of \$10,800,000.
2. Instruct the Executive Officer/Clerk of the Board to cause publication of the attached Notice of Intention (Attachment 1) in accordance with Section 6063 of the Government Code.
3. Consider the attached Negative Declaration, together with the fact that no comments were received during the public review process, find that the acquisition of the subject real property and its associated tenant improvements will not have a significant effect on the environment, find that the Negative Declaration reflects the independent judgment of the County, approve the Negative Declaration and find that the project will have no adverse effect on wildlife resources and authorize the Chief Administrative Office (CAO) to complete and file a Certificate of fee exemption for the project.

**IT IS FURTHER RECOMMENDED THAT, AT THE TIME OF CONSUMMATION, YOUR BOARD:**

1. Order the purchase consummated in accordance with Section 25350 of the Government Code and instruct the Mayor to sign duplicate copies of the attached Purchase and Sale Agreement.
2. Approve the attached Appropriation Adjustment to transfer \$10,875,000 in appropriation and revenue from RR/CC to Capital Project to purchase the warehouse.
3. Authorize the CAO to open and manage escrow and execute any required documentation necessary to complete the transfer of title to the County of Los Angeles and to accept the deed conveying title to the County.
4. Authorize the Auditor-Controller to issue warrants as directed by the CAO for escrow, title insurance and any other related transactional costs in amounts not to exceed \$75,000 in the aggregate.
5. Request the Assessor to remove the subject real property from the tax roll effective upon the transfer of title.
6. Authorize the CAO to adjust the rent based on the Consumer Price Index for the leased facility at 1050 South Maple Avenue, Montebello. The adjustment will not exceed \$2,700 per month over the current rental payment (Lease No. 55574).

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The RR/CC is in critical need of additional space to accommodate a new Service Center Complex. Their current warehouse facility at 1050 South Maple Avenue, Montebello (Maple) and the space shared with Department of Public Social Services at 2700 South Garfield Avenue, City of Commerce (Garfield) are no longer sufficient to house and maintain new voting equipment, provide space for efficient election processing and store increased volumes of mandated election materials. The Maple facility comprises approximately 44,000 rentable square feet, with a 22 foot height clearance and the Garfield facility has approximately 15,000 square feet dedicated to RR/CC use. Thus, the total warehouse space available for RR/CC use is currently 59,000 square feet with limited height clearance. The new Service Center Complex will provide space for storage and distribution of election supplies to 5,000 polling locations throughout Los Angeles County.

The negotiated purchase price of \$10,800,000 (includes land value of \$4,730,000) for the proposed facility is supported by an independent appraisal conducted by R.P. Laurain & Associates, Inc, as adjusted for market trends during the acquisition period.

The facility, constructed in 2005, consists of approximately 99,494 square feet of floor area with a ceiling height of 30 feet. The land area is approximately 4.62 acres. It is located in the First Supervisorial District and it is less than two miles from RR/CC headquarters at 12400 East Imperial Highway, Norwalk. The facility is equipped with an Early Suppression Fast Response (ESFR) fire suppression system.

The lease for the Maple facility is due to expire on April 29, 2006 and negotiations are underway to allow the County to continue its occupancy on a month-to-month holdover basis pending the completion of the tenant improvements for the new facility which are expected to take nine months. The ownership requested, as a consideration for the holdover, to be paid the rental adjustment stipulated in the lease had the County exercised its option to renew. The maximum increase pursuant to this provision will not exceed \$2,700 per month.

The tenant improvements will involve the construction of 18,429 square feet of mezzanine space, 5,156 square feet of office area, and the installation of a racking system. Construction of the tenant improvements will be authorized under a separate CAO Board letter requesting approval of a capital project and participation of the Department of Public Works in completion of the construction phase of the project.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The Countywide Strategic Plan directs that we provide the public with quality services that are both beneficial and responsive (Goal 1). The County purchase of new voting equipment to comply with Federal law for use by County constituents is consistent with the Goal.

### **FISCAL IMPACT/FINANCING**

An outside appraisal firm, R.P. Laurain & Associates, Inc., has determined the fair market value of the subject real property to be \$103 per square foot based on the appraisal dated February 1, 2006. The proposed acquisition price of \$10,800,000 reflects the total value based on the square footage of the facility pursuant to on-going negotiations with the seller and adjusted value based on an expected closing of escrow in June 2006. Escrow fees and other costs associated with this transaction will be shared between the parties. County's share is estimated not to exceed \$75,000.

The proposed acquisition will be funded by appropriation available in FY 2005-06 Budget and will not impact net County cost. The Appropriation Adjustment will transfer \$10,875,000 in appropriation and revenue from RR/CC to Capital Project to purchase the warehouse.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The subject site is located in the City of Santa Fe Springs. The parcel, which consists of approximately 4.62 acres of land, is part of a development comprising a total of eight parcels improved with industrial/warehouse facilities. The subject parcel is located at the southeast corner of this development project. It is bordered by Lakeland Road on the south, a Santa Fe Railroad track on the east, and other parcels that are part of the development on the north and west sides. The parcels were improved in 2005. The owners of the parcels that form the development are automatically members in an owners' association that handles the offsite improvements, common area maintenance and other duties as may be voted by the owners/members. The association fee is currently \$2,057 per month.

The sellers have requested the right to stay in the facility in approximately 45,000 square feet of space for up to two months after close of escrow. To accommodate this request, a provision was added to the Purchase and Sale Agreement whereby the sum of fifty thousand dollars will be withheld from the sale price and will be paid to the sellers if they indicate they will vacate immediately upon close of escrow. If they stay beyond the close of escrow, a daily proportionate amount of \$833.33 will be charged by the County, thus reducing their total compensation. The sellers will receive no portion of this fund if they stay for the full two months.

To place the County in a stronger legal position, this office entered into an option agreement with the seller, for which the County paid a consideration of Five Thousand Dollars (\$5,000). A copy of the option agreement is attached. The option agreement and the letter of intent stipulated an authorization from your Board to publish the intent to acquire the real estate by no later than May 2, 2006.

Pursuant to Government Code Section 65402, notification of the County's intent to purchase the subject property was provided to the City of Santa Fe Springs. The City indicated that the contemplated use by the County is a permitted use and has no objection to the acquisition.

A preliminary title report reviewed by this office indicated no claims or encumbrances which would significantly affect or impair the subject property's title.

The property has natural forming hydrocarbon substances in the soil, more specifically methane gas. During the construction of this project, this issue was mitigated by the installation of an evacuation system underneath the slab foundation. DPW has also conducted a Phase I environmental site assessment and recommended that the current system be evaluated and certified by a California registered civil engineer. The issue will be addressed as part of the due diligence prior to close of escrow and will be taken into consideration in the design and construction of the tenant improvements.

County Counsel has reviewed the Agreement of Purchase and Sale of Real Property and the Notice of Intention related to this transaction and has approved them as to form.

RR/CC has reviewed and concurs with the recommended actions.

#### **ENVIRONMENTAL DOCUMENTATION**

The CAO has made an initial study of the environmental factors and has concluded that the acquisition of the subject real property and the construction of the associated tenant improvements will not have a significant effect on the environment and no adverse effect on wildlife resources. Accordingly, a Negative Declaration has been prepared and a notice posted at the site as required by the California Environmental Quality Act (CEQA) and the California Administrative Code Section 15072. Copies of the completed Initial study, the resulting Negative Declaration, and the Notice of Preparation of Negative Declaration, as posted, are attached. No comments to the Negative Declaration were received. A fee must be paid to the State Department of Fish and Game when certain notices are filed with the Registrar-Recorder/County Clerk.

The County is exempt from paying this fee when your Board finds that a project will have no impact on wildlife resources.

#### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**


There will be no impact on current County services or projects during the performance of the recommended acquisition and improvements. The proposed actions will improve significantly the deliverance of services by RR/CC and will comply with Help America Vote Act (HAVA).

The Honorable Board of Supervisors  
April 18, 2006  
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**CONCLUSION**

It is requested that the Executive Officer, Board of Supervisors, return an executed Purchase and Sale Agreement, executed Notice of Intention, two certified copies of the Minute Order, and the adopted, stamped Board letter to the CAO Real Estate Division at 222 South Hill Street, 3rd Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

  
DAVID E. JANSSEN  
Chief Administrative Officer

DEJ:WLD  
CEM:MS:hd

Attachments (4)

c: County Counsel  
Auditor-Controller  
Registrar-Recorder/County Clerk

ATTACHMENT 1

**NOTICE OF INTENTION  
TO PURCHASE REAL PROPERTY**

NOTICE IS HEREBY GIVEN that it is the intention of the Board of Supervisors of the County of Los Angeles, State of California to purchase 4.62 acres of land improved with a warehouse facility of 99,494 square feet and located in the City of Santa Fe Springs in the First Supervisorial District, County of Los Angeles, State of California, as legally described on the attached Exhibit A for the sum of Ten Million Eight Hundred Thousand Dollars (\$10,800,000) from the fee simple owners, David Tung and Grace Tung.

NOTICE IS HEREBY GIVEN that the purchase of real property will be consummated by the Board of Supervisors of the County of Los Angeles, State of California, on the \_\_\_\_ day of \_\_\_\_\_, 2006, at 9:30 a.m. in the Hearing Room of the Board of Supervisors, Room 381, Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California 90012. No obligation will arise against the County and in favor of the Seller with respect to the purchase of the property described herein until the Board of Supervisors approves the purchase on the named consummation date.

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.  
County Counsel

By Kathleen D. Felice  
Deputy

SACHI A. HAMAI  
Executive Officer, Board of Supervisors  
County of Los Angeles

By \_\_\_\_\_

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

PARCEL A: (FEE)

PARCEL 8 OF PARCEL MAP NO. 060741, IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, AS PER MAP FILED IN BOOK 326 PAGES 44 TO 47 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, MINERALS AND MINERALS RIGHTS, MINERAL ORES AND METALS AND OTHER USEFUL AND VALUABLE MINERAL DEPOSITS OF EVERY KIND, CHARACTER AND DESCRIPTION, INCLUDING IN PART ASPHALT, TAR, GAS OIL, PETROLEUM AND OTHER HYDROCARBONS THAT MAY BE OR HEREAFTER BE FOUND, DEPOSITED, CONTAINED OR DEVELOPED IN, UPON, FROM OR UNDER OR THAT MAY BE MINED, EXTRACTED, PUMPED, OR WITHDRAWN IN ANYWISE IN, UPON, FROM OR UNDER ALL OR ANY PART OF SAID LAND, AS EXCEPTED AND RESERVED BY JULIA M. BAKER, A WIDOW, IN THE DEED RECORDED FEBRUARY 21, 1935 IN BOOK 13278 PAGE 172 OFFICIAL RECORDS, AND REGISTERED FEBRUARY 4, 1935 AS DOCUMENT NO 1451-D, TORRENS.

PARCEL B: (EASEMENT)

NON-EXCLUSIVE EASEMENTS AS SET FORTH IN THAT CERTAIN INSTRUMENT ENTITLED MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND GRANT OF EASEMENTS FOR BLOOMFIELD BUSINESS PARK – PHASE II, RECORDED JUNE 24, 2005 AS INSTRUMENT NO. 05-1493066, SUBJECT TO THE TERMS THEREIN PROVIDED.

APN 8011-016-032



COUNTY OF LOS ANGELES  
CHIEF ADMINISTRATIVE OFFICE

FILED

MAR 09 2006

CONNIE B. MCCORMACK, COUNTY CLERK

NEGATIVE DECLARATION

G. MORLA

DEPUTY

I. Location and Description of the Project

The proposed project is for the County of Los Angeles to purchase a property comprising approximately 4.62 acres of land and improved with a 99,494 square foot warehouse facility. The property is located at 12680-86 Corral Place, Santa Fe Springs, California, 90670. The County intends to build tenant improvements including a 38,000 sq. ft. mezzanine area and 18,000 sq. ft. of office space to meet the program and operational needs of the Registrar-Recorder/County Clerk (RR/CC). The facility, located in the First Supervisorial District is approximately 15.5 miles southeast of the Los Angeles Civic Center, is less than 1.5 miles from the Registrar Recorder Headquarters located at 12400 East Imperial Highway, Norwalk, CA 90650.

II. Finding of No Significant Effect

Based on the attached initial study, it has been determined that the project will not have a significant effect on the environment.

III. Mitigation Measures

None required.

THIS NOTICE WAS POSTED  
ON MAR 09 2006  
UNTIL APR 10 2006  
REGISTRAR-RECORDER/COUNTY CLERK

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## NEGATIVE DECLARATION

Department Name:  
Project:

Registrar-Recorder/County Clerk  
Acquisition of New Warehouse Facility

Pursuant to Section 15072, California Environmental Quality Act and California Administrative Code Title 14, Division 6

1. Description of Project

The purchasing of a property comprising approximately 4.62 acres of land area improved with 99,494 square feet of warehouse facility to be used as a warehouse/service center complex.

2. a. Location of Project (plot plan attached)

12680 – 86 Corral Place  
Santa Fe Springs, CA 90670

b. Name of Project Proponent

County of Los Angeles  
Chief Administrative Office  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, CA 90012

3. Finding for Negative Declaration

It has been determined that this project will not have a significant effect on the environment based on information shown in the attached Environmental Information Form dated March 8, 2006, which constitutes the Initial Study of this project.

4. Initial Study

An Initial Study leading to this Negative Declaration has been prepared by the Chief Administrative Office and is attached hereto.

5. Mitigation Measures Included in Project

None required.

Date  
03/07/06

Real Property Agent  
Maurice Salama

Telephone  
(213) 974-4157

**06 . 0019272**

DATE POSTED – MARCH 8, 2006

**NOTICE OF PREPARATION OF NEGATIVE DECLARATION**

This notice is provided as required by the California Environmental Quality Act and California Administrative Code Title 14 Division 6, Section 15072 (a) (2) B.

A Negative Declaration has been prepared for this site based on an Initial Study which consists of completion and signing of an Environmental Information Form showing background information as follows:

- |   |   |
|---|---|
| 1. <u>Name of Proponent</u>                 | County of Los Angeles<br>Chief Administrative Office  |
| 2. <u>Address/Phone No.</u>                 | 222 South Hill Street, 3 <sup>rd</sup> Floor<br>Los Angeles, California 90012<br><br>Agent: Maurice Salama<br>Phone: (213) 974-4157 |
| 3. <u>Date Information Form Submitted</u>   | March 8, 2006   |
| 4. <u>Agency Requiring Information Form</u> | Los Angeles County<br>Chief Administrative Office   |
| 5. <u>Name of Proposal, if Applicable</u>   | Acquisition of New Warehouse<br>Facility  |
| 6. <u>Address of Facility Involved</u>      | 12680 – 86 Corral Place<br>Santa Fe Springs, CA 90670   |

Interested parties may obtain a copy of the Negative Declaration and the completed Environmental Information Form/Initial Study by contacting the Real Property Agent indicated under 2. above and referring to the proposal by name or to the facility by address.

Si necesita informacion en espanol, por favor de comunicarse con Carlos Marquez, (213) 974-4163, para asistencia en obtener una traduccion.

(Neg Dec 12680-86 Corral Place Santa Fe Spring.doc)  
03/07/06

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## INITIAL STUDY

### I. Location and Description of Project

The proposed project is to purchase and prepare the facility for Registrar-Recorder/County Clerk (RR/CC) use. The facility is located at 12680-86 Corral Place, Santa Fe Springs, in the First Supervisorial District approximately 15.5 miles southeast of the Los Angeles Civic Center and 1.5 miles from the Registrar Recorder Headquarters which is located at 12400 East Imperial Highway, Norwalk. (See attached map)

The property comprises approximately 4.62 acres of land area improved with 99,494 square feet of warehouse facility to be used as a warehouse/service center complex. It has parking for 119 cars. The subject property is part of a development consisting of eight parcels that were improved with industrial buildings in 2005. The development is located on the northeast corner of Bloomfield Avenue and Lakeland Road at the extreme southeast corner of the development. It is bordered by Lakeland Road on the south, Santa Fe Railroad on east side and with other parcels of the development on the north and west sides. The immediate area As part of the development, the property is subject to an owner association in charge of the offsite improvements, common area maintenance and other duties as may be voted by the owners/members. The County, by virtue of the proposed acquisition, will automatically become a member of the association whose duties and obligations will not change as a result of the acquisition.

To prepare the facility for RR/CC use, the County intends to build tenant improvements comprising 38,000 square feet of mezzanine and 18,000 square feet of office space which will be constructed inside the facility.

The facility will be used to house and maintain new voting equipment, provide space for efficient election processing and store increased volumes of mandated election materials.

The program that will be housed at the facility is manned by 34 employees during off-season schedule and with up to maximum of 250 employees during peak seasons. Peak seasons comprise the time between three month prior to election and up to one week after election. Additional parking during election periods will be provided at RR/CC headquarters and staff will be bused to the facility. Although during election seasons the facility will be used on a twenty-hour basis, maximum employee occupancy is anticipated to be between the hours of 8:00 a.m. to 5:00 p.m.

No expansion of the existing building footprint will occur for this project, however upgrades to the electrical, HVAC systems, the addition of a 38,000 sq.ft mezzanine area and 18,000 sq.ft. of office space, and interior redecorating, will be performed for this project.

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## II. Compatibility with General Plan

This project site is identified by the City of Santa Fe Springs as "M-2" (Manufacturing). The proposed use is a permitted use under the current zoning. Additionally, in compliance with Government Code Section 65402, the County notified the City of Santa Fe Springs of the proposed acquisition and the City indicated the intended use is in compliance with the general plan.

## III. Environmental Setting

The proposed site is bordered by Lakeland Road on the south, Santa Fe Railroad on east side and with other parcels of the industrial development with industrial buildings on the north and west sides. The area is composed mainly of industrial buildings, and producing and non-producing oil fields. A State Metropolitan hospital is within less than 2,000 feet from the site. The impact on traffic was considered in the study conducted prior to the construction of the industrial development and indicated that the street capacity in the area is sufficient to accommodate the traffic to be generated from the development. Further evaluation of traffic impact was considered by Los Angeles County Department of Public Works indicated no further impact on the environment by County occupancy beyond that was considered in the original study.

## IV. Identification of Environmental Effects

- A. The proposed project will not impact existing land forms.
- B. The project will not conflict with adopted general plans and goals of the City of Santa Fe Springs.
- C. The project will not have a substantial demonstrable negative aesthetic effect on the proposed site. The landscape and offsite improvements will continue to be maintained by the owners association.
- D. No rare or endangered species of animal or plant or the habitat of the species will be affected by the project. Nor will it interfere substantially with the movement of any resident fish or wildlife species or migratory fish or wildlife species.
- E. The project will not breach published national, state or local standards relating to solid waste or litter control.
- F. Development will not substantially degrade water quality, contaminate water supply, substantially degrade or deplete ground water resources, or interfere substantially with ground water recharge.
- G. There are no known archeological sites existing at the project site.

- H. The proposed project will not induce substantial growth or concentration of population.
- I. The project will not cause a substantial increase to existing traffic beyond that experienced when the property was occupied by its previous owner/tenant. Nor will it affect the carrying capacity of the present street system. This property was previously utilized as a commercial retail space with a greater number of vehicles accessing the property. The County's use is in conformance with uses intended and approved by the City of Santa Fe Springs.
- J. The project will not displace any persons from the site.
- K. The project will not substantially increase the ambient noise levels to adjoining areas. Noise generated during the construction of the tenant improvements will not exceed the noise level that would be anticipated for a manufacturing use.
- L. The proposed project will not cause flooding, erosion or siltation.
- M. The project will not expose people or structures to major geologic hazards.
- N. The project will not expand a sewer trunk line. All necessary utilities are available currently to the facility.
- O. No increased energy consumption is anticipated by the County's use of the premises.
- P. The project will not disrupt or divide the physical arrangement of established community; nor will it conflict with established recreational, educational, religious or scientific uses of the area.
- Q. No public health or safety hazard or potential public health or safety hazard will be created by this project.
- R. The project will not violate any ambient air quality standard, contribute substantially to an existing or projected air quality violation, or expose sensitive receptors to substantial pollutant concentrations. Although the soil contains natural forming hydrocarbons substance; more specifically methane gas, a methane evacuation system has been installed underneath the slab foundation during the construction of the facility. Additionally, the county intends to place a methane monitoring system as part of the proposed tenant improvements.

V. Discussions of Ways to Mitigate Significant Effects

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The proposed project is not expected to create any significant effects on the environment. To mitigate any effects upon the surrounding community the following measures will be implemented:

A. None Required.

VI. Initial Study Preparation

This study was prepared by Real Estate Division of the Los Angeles County Chief Administrative Office, Departmental Contact: Maurice Salama (213) 974-4157. This study was completed on March 8, 2006.

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**OPTION AGREEMENT FOR TRANSFER OF REAL PROPERTY BY AND BETWEEN  
DAVID AND GRACE TUNG AND THE COUNTY OF LOS ANGELES**

This Option Agreement ("Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_ 2006, by and between David Tung and Grace Tung, husband and wife (the "Tungs"), and the COUNTY OF LOS ANGELES, a body corporate and politic (the "County").

**RECITALS:**

- A. The Tungs are the owners of that certain real property located at 12680-86 Corral Place in the City of Santa Fe Springs, State of California, as more particularly described in Exhibit "A", attached hereto and incorporated herein by this reference (the "Property");
- B. The Property is comprised of land (approximately 4.62 acres), a 99,494 square foot structure, with appurtenant parking, all easements and interests appurtenant thereto, and all intangible property owned or held in connection with the Property, including without limitation, development rights, governmental approvals and land entitlements;
- C. The County desires to acquire the Property and the Tungs have agreed to sell the Property on the terms and conditions set forth in the Agreement of Purchase and Sale of Real Property executed by the Tungs and attached hereto and incorporated herein by reference as Exhibit B (the "Purchase Agreement"). The Tungs are willing to grant the County an option to acquire the Property in accordance with the terms of this Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. Option Agreement.

1.1 Option. The Tungs hereby grant the County an exclusive option to acquire the Property, subject to the terms and conditions contained herein, for the period set forth herein (the "Option"). The parties shall execute and cause to be recorded a Memorandum of Option in form attached hereto as Exhibit C upon execution of this Agreement.

1.2 Option Term. This Option shall be exercisable by the County during a term commencing from the date of the execution of this Agreement, and terminating at 5:00 p.m. on June 30, 2006, unless disapproved sooner by the County Board of Supervisors (the "Option Term"). Upon approval of the Purchase of the Property by the County Board of Supervisors, the County shall execute the Purchase Agreement and shall deposit it into escrow.



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1.3 Option Price. In consideration of the Tungs granting the Option, the County agrees to pay the Tungs the sum of Five Thousand Dollars (\$5,000) upon execution hereof. Should the Tungs fail to comply with this Agreement, including the covenants, terms, and conditions of the Purchase Agreement, the Tungs shall return the Option Price to the County within ten days of the County's written demand therefore.

1.4 No Further Encumbrance of Property. The Tungs hereby agree that they shall not encumber the Property with any leasehold interest, tenancy, license or occupancy, and further agrees not to amend, extend, renew, or permit the holdover of any existing leasehold interests, tenancies or occupancies of the Property or to cause, or acquiesce to, any further liens or encumbrances or otherwise alter the condition of title, during the Option Term.

1.5 Exercise of Option. Upon County's election to exercise the exclusive Option to acquire the Property, the parties hereto, pursuant to Government Code and other applicable law, will effectuate the acquisition of the Property in accordance with the terms and conditions of the Purchase Agreement.

1.6 Contingencies. County's exercise of its Option is subject to the following conditions:

1.6.1 Approval by the Board of Supervisors of the Agreement of Purchase and Sale of Real Property and the environmental document for the project;

1.6.2 The Board of Supervisors adopting a Notice of Intention to Purchase the Property; and

1.6.3 The Board of Supervisors approving the purchase of the Property.

1.7 Manner of Exercise of Option. Provided County is not in default hereunder and the conditions set forth in Section 1.5 of this Agreement have been satisfied, County may exercise its Option to acquire the Property by delivering written notice (pursuant to Section 1.8) to the Tungs prior to the expiration of the Option Term.

1.8 Notices. All notices, demands and requests required or desired to be given pursuant to this Agreement by either party shall be sent by United States Mail, registered or certified postage prepaid, and addressed to the parties as follows:



INITIAL

County: County of Los Angeles  
Chief Administrative Office  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, CA 90012  
Attention: William L. Dawson  
Deputy Director of Real Estate

The Tungs: Mr. & Mrs. David Tung  
2811 Faber Street  
Union City, CA 94587

Notices, demands and requests served in the above manner shall be considered sufficiently given or served for all purposes under this Agreement at the time the notice, demand or request is postmarked to the addresses shown above.

1.9 Validity. This Agreement and all documents required hereby to be executed by each party are and shall be valid, legally binding obligations of and enforceable against each party in accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganization, moratorium laws or similar laws or equitable principles affecting or limiting the rights of contracting parties generally.

2.0 Survival of Covenants. The covenants, agreements, representations and warranties made herein, including those in the Agreement of Purchase and Sale of Real Property, are intended to survive the Closing and recordation and delivery of the grant deed conveying the Property.

2.1 Entire Agreement. This Agreement contains the entire agreement between the parties hereto and no addition or modification of any term or provision shall be effective unless set forth in writing, signed by both the Tungs and County.

2.2 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same Agreement.

2.3 California Law. This Agreement has been made and entered into in the State of California, and shall be construed in accordance with the laws thereof.

2.4 Waivers. No waiver by either party of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by either party of the same or any other provision.

2.5 Captions. The section and paragraph numbers and captions appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections or paragraphs of this Agreement nor in any way affect this Agreement.

  
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2.6 Interpretation. Unless the context of this Agreement clearly requires otherwise: (i) the plural and singular numbers shall be deemed to include the other; (ii) the masculine, feminine and neuter genders shall be deemed to include the others; (iii) "or" is not exclusive; and (iv) "includes" and "including" are not limiting.

2.7 Severability. In the event any portion of this Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such portion shall be severed from this Agreement and the remaining parts hereof shall remain in full force and effect as fully as though such invalid, illegal or unenforceable portion had never been part of this Agreement; provided that the remaining Agreement can be reasonably and equitably enforced.

2.8 Binding Effect. The provisions of this Agreement shall be binding upon the parties hereto and their respective heirs, assigns and successors-in-interest.

2.9 No Presumption Re: Drafter. The parties acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the parties and their attorneys, and this Agreement reflects their mutual agreement regarding the same. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any party to be the drafter of this Agreement, and therefore, no presumption for or against validity or as to any interpretation hereof, based upon the identity of the drafter, shall be applicable in interpreting or enforcing this Agreement.

3.0 Assistance of Counsel. Each party hereto either had the assistance of counsel or had counsel available to it, in the negotiation for, and the execution of, this Agreement, and all related documents.

  
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/ / / / SIGNATURE PAGE FOLLOWS / / /

IN WITNESS WHEREOF, Each of David Tung and Grace Tung has executed this Agreement or caused it to be duly executed and this Agreement has been executed on behalf of the County of Los Angeles by the Chief Administrative Officer, the day, month, and year first above written.

David Z by Grace Tung his attorney-in-fact  
David Tung

Grace Z  
Grace Tung

**ATTEST:**

CONNIE B. McCORMACK  
Registrar-Recorder/County Clerk

By: Norice F. Bohm  
Deputy

**COUNTY OF LOS ANGELES**

DAVID E. JANSSEN  
Chief Administrative Officer

By: David E. Janssen

**APPROVED AS TO FORM:**

OFFICE OF THE COUNTY COUNSEL  
RAYMOND G. FORTNER, JR.

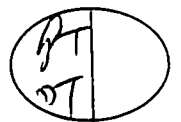
By: Stefanie  
Deputy County Counsel

## EXHIBIT LIST

Exhibit "A" Legal Description

Exhibit "B" Purchase Agreement

Exhibit "C" Memorandum of Option



INITIAL

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

PARCEL A: (FEE)

PARCEL 8 OF PARCEL MAP NO. 060741, IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, AS PER MAP FILED IN BOOK 326 PAGES 44 TO 47 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, MINERALS AND MINERALS RIGHTS, MINERAL ORES AND METALS AND OTHER USEFUL AND VALUABLE MINERAL DEPOSITS OF EVERY KIND, CHARACTER AND DESCRIPTION, INCLUDING IN PART ASPHALT, TAR, GAS OIL, PETROLEUM AND OTHER HYDROCARBONS THAT MAY BE OR HEREAFTER BE FOUND, DEPOSITED, CONTAINED OR DEVELOPED IN, UPON, FROM OR UNDER OR THAT MAY BE MINED, EXTRACTED, PUMPED, OR WITHDRAWN IN ANYWISE IN, UPON, FROM OR UNDER ALL OR ANY PART OF SAID LAND, AS EXCEPTED AND RESERVED BY JULIA M. BAKER, A WIDOW, IN THE DEED RECORDED FEBRUARY 21, 1935 IN BOOK 13278 PAGE 172 OFFICIAL RECORDS, AND REGISTERED FEBRUARY 4, 1935 AS DOCUMENT NO 1451-D, TORRENS.

PARCEL B: (EASEMENT)

NON-EXCLUSIVE EASEMENTS AS SET FORTH IN THAT CERTAIN INSTRUMENT ENTITLED MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND GRANT OF EASEMENTS FOR BLOOMFIELD BUSINESS PARK – PHASE II, RECORDED JUNE 24, 2005 AS INSTRUMENT NO. 05-1493066, SUBJECT TO THE TERMS THEREIN PROVIDED.

APN 8011-016-032



INITIAL

AGREEMENT OF PURCHASE AND SALE OF REAL PROPERTY

**THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY** (the "Agreement"), is made and entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2006, by and between DAVID AND GRACE TUNG, husband and wife, (the "Sellers") and the COUNTY OF LOS ANGELES (the "Buyer").

RECITALS

- A. Seller is the owner of a certain real property located at 12680 Corral Place, Santa Fe Springs, County of Los Angeles, State of California (further described as Assessor's Parcel Numbers: 8011-016-032, as legally described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Property").
- B. The Property consists of approximately 4.62 acres of land, with approximately 99,494 square feet of improvements, consisting of an industrial building.
- C. Buyer is replacing their existing warehouse facility located at 1050 S. Maple Avenue, Montebello, with a larger facility, and is seeking to acquire the Property from Seller for this purpose.
- D. Buyer desires to purchase the Property from Seller, and Seller is willing to sell the property to Buyer on the terms and conditions set forth in this Agreement.

AGREEMENT

The terms and conditions of this Agreement are as follows:

- 1. Purchase and Sale. Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the Property upon the terms and conditions herein set forth.
- 2. Purchase Price. The "Purchase Price" for the Property shall be Ten Million Seven Hundred Fifty Thousand and 00/100 Dollars (\$10,750,000.00), provided that the Purchase Price shall be increased to the amount of Ten Million Eight Hundred Thousand and 00/100 Dollars (\$10,800,000.00) in the event Buyer and Seller give written notice to Escrow Holder at least five (5) working days prior to Close of Escrow that the Property has been vacated by Seller.
  - 2.01 In the event such notice is not given to Escrow Holder at least five working days prior to Close of Escrow, Escrow shall close upon payment of the Purchase Price in the amount of Ten Million Seven Hundred Fifty Thousand and 00/100 Dollars (\$10,750,000.00), vacation however, Buyer shall pay Seller outside of Escrow after Seller's

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vacation of the Property, the amount of Eight Hundred Thirty-Three and 33/100 Dollars per day for each day that the Property has been fully vacated by Seller subsequent to Close of Escrow and prior to the sixty-first day following Close of Escrow.

2.02 Seller agrees that the Purchase Price encompasses payment and compensation for: (i) any and all real property interests; (ii) any improvements pertaining to the realty including trade fixtures and equipment; and (iii) any claims connected with the acquisition of the Property by the Buyer. Accordingly, Seller hereby waives and releases Buyer from any and all claims for further compensation, which Seller may have, which may include expenses and/or damages, arising from or connected with the Buyer's acquisition of the Property, including without limitation, improvements pertaining to the realty, fixtures and equipment, loss of business goodwill, benefits under the relocation assistance program, loss and/or damage to personal property and inventory, moving and/or relocation costs, damages to any business interest, and any other costs and/or expenses related directly or indirectly to the acquisition of the Property by the Buyer.

3. Form of Grant Deed. Fee simple absolute title to the Property shall be conveyed by Seller to Buyer as described in and by a grant deed in the form attached hereto as Exhibit "C" ("Grant Deed"), duly executed and acknowledged by Seller, subject only to matters of record approved in writing by the Buyer pursuant to Section 4.02, below.

4. Contingencies. Completion of the transaction contemplated by this Agreement is contingent upon the following ("Contingencies"):

4.01 Approval of Purchase and Sale. The Buyer's Board of Supervisors approving the purchase and sale of the Property:

A. Buyer shall have until May 2, 2006 for the first hearing of the County Board of Supervisors to consider the purchase of the Property.

B. Subsequent to the first hearing by the County Board of Supervisors, the County of Los Angeles will have thirty (30) days to advertise its intent to acquire the Property. Thereafter the matter shall return to the County Board of Supervisors for consideration of objections from neighbors, community groups, or others. Provided the County Board of Supervisors has not approved the purchase of the Property by June 13, 2006, Seller shall have the right to cancel this Agreement, and neither party shall have any further liability to the other.

4.02 Condition of Title to Transfer Property. Seller shall cause the conveyance of good and marketable fee absolute title to the Property to the Buyer subject only to matters approved in writing by Buyer ("Approved

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Exceptions"). Seller shall purchase an A.L.T.A. Standard Coverage Form Policy of Title Insurance ("Title Policy") issued by Chicago Title Company (the "Title Company") in an amount equal to Ten Million Eight Hundred Thousand and 00/100 Dollars (\$10,800,000.00) provided that Buyer shall pay the cost of the

Title Policy in excess of the cost for a C.L.T.A. policy. Buyer shall also pay the difference in the cost of the title policy, if any, between the rate charged by Chicago Title for a C.L.T.A. policy versus the rate that could have been obtained from First American Title Company (FATC), provided that the Seller obtains a written proposal from FATC indicating their rate for the same policy and deposits same in escrow concurrent with opening of escrow. The Title Policy shall show as exceptions only the Approved Exceptions. If any exception is disapproved or deemed disapproved by June 13, 2006, Seller shall use its best efforts to cause each disapproved exception to be discharged, satisfied, released or terminated, as the case may be, of record, and in a form that is reasonably satisfactory to Buyer, at Seller's sole cost and expense, within fifteen (15) days of Buyer's disapproval or deemed disapproval. If an exception cannot be discharged, satisfied, released or terminated, as the case may be, of record, said exception may be eliminated by any feasible method that is mutually acceptable to Buyer and Seller, including but not limited to, special endorsement, bond, indemnification, etc., at Seller's sole cost and expense. If within fifteen (15) days of Buyer's disapproval or deemed disapproval, Seller is unable to obtain a discharge, satisfaction, release, or termination, and is unable to otherwise eliminate any disapproved exceptions for any reason, Buyer may (i) waive this condition and proceed with this transaction, or (ii) terminate this Agreement and neither party shall have any further liability to the other except as expressly provided for in this Agreement, including that the Buyer may invoke the County's power of eminent domain to acquire the Property and both parties may enforce all rights in equity, including, without limitation, specific performance.

4.03 Leases. The Property shall be free of any and all third party rights of use or occupancy including without limitation, permits, licenses to use or leases.

4.04 Improvements. Seller shall provide the following improvements to the Property, at Seller's sole cost and expense:

- A. Complete two (2) restrooms per plans submitted to the City of Santa Fe Springs for permitting purposes.
- B. Install electrical conduit and outlets to the ground floor portion of the office only. The electrical is to be hooked up to the main panel and be operational.

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C. Drywall the ground floor portion of the office consisting of approximately 1,617 square feet (including the restrooms) on all of the interior walls of the office and the outside of the demising walls of the office.

D. Seller shall provide Buyer with copies of all the permits required for the above mentioned work, including but not limited to, permits issued by the City of Santa Fe Springs Building and Safety, and the Los Angeles County Department of Public Works, to ensure that all work performed in accordance with the requirements of Subsections 4.04 A, B, and C are completed according to applicable codes.

5. Non-Satisfaction of Contingencies. Upon non-satisfaction of the contingencies set forth in section 4.03 and 4.04, Buyer may either allow Seller a fifteen (15) day opportunity to cure or terminate the transaction by notice to Seller of such termination. If the Agreement is terminated as set forth herein, neither of the parties thereafter shall have any liability to the other except as expressly provided for in this Agreement, including that the Buyer may invoke the County's power of eminent domain to acquire the Property and both parties may enforce all rights in equity, including, without limitation, specific performance.

6. Escrow.

6.01 Within ten (10) days after the execution of this Agreement by all parties, the parties shall open an escrow (the "Escrow") with Chicago Title Company, 700 South Flower Street, Suite 900, Los Angeles, California , Attention: Cheryl A. Yanez, (the "Escrow Holder") selected by Seller and Buyer for the purpose of consummating the purchase and sale of the Property. The parties shall execute and deliver to Escrow Holder, within five (5) business days of receipt, such escrow instructions prepared by Escrow Holder as may be required to consummate the transaction contemplated by this Agreement. Any such instructions shall not conflict with, amend, or supersede any provisions of this Agreement. If there is any inconsistency between such instructions and this Agreement, this Agreement shall control unless the parties expressly agree, in writing, otherwise.

6.02 Escrow Holder is authorized to:

6.02.01 Pay, and charge Seller, for any delinquent taxes, and penalties and interest thereon, and for any delinquent or nondelinquent assessments or bonds against the Property;

- 6.02.02 Pay, and charge Seller, for any amounts necessary to place the title in the condition necessary to enable conveyance pursuant to this Agreement; the cost of the Title Policy, up to the amount of a C.L.T.A. policy, documentary transfer tax, recording fees and one half of all Escrow fees;
- 6.02.03 Pay, and charge Buyer, for one half of all Escrow fees, plus any necessary fees to convert the C.L.T.A. policy to an A.L.T.A. policy, and any difference between the rate of a C.L.T.A. of Chicago Title Company vs. First American Title Company, as provided in Section 4.02 of this Agreement;
- 6.02.04 Prorate all real property taxes, if any, which are a lien and/or unpaid as of the close of Escrow according to the formula adopted by the Los Angeles County Assessor's Office and deduct Seller's portion from Seller's proceeds. The tax amount withheld will be made payable to the County Auditor-Controller's Office following the Closing. Any taxes which have been prepaid by Seller shall not be prorated, but Seller shall have the sole right, after Closing, to apply to the Los Angeles County Treasurer for refund of the taxes attributable to the period after acquisition pursuant to the Revenue and Taxation Code Section 5096.7;
- 6.02.05 When conditions of Escrow have been fulfilled by Buyer and Seller: (1) record the Grant Deed and the certificate of acceptance to be deposited by Buyer; (2) disburse the Purchase Price to Seller; (3) deliver to Buyer and Seller copies of the Escrow closing statements; and (4) deliver to Buyer and Seller any items or documents given to Escrow Holder to hold for Buyer and/or Seller.

7. Conditions to Closing.

- 7.01 Buyer's obligation to consummate the transaction contemplated by this Agreement is conditioned upon: (i) the County Board of Supervisors adopting a Notice of Intention to Purchase the Property; (ii) the County Board of Supervisors approving the purchase of the Property; (iii) satisfaction of the Contingencies contained in Section 4; (iv) Seller's delivery of the Grant Deed to Escrow Holder and the recordation thereof in the Official Records of Los Angeles County ("Official Records"); (v) Seller's representations, warranties and covenants shall be true and correct as of Closing; and (vi) Title Company's irrevocable commitment to issue the Title Policy. Upon non-satisfaction of any one of the above conditions iv through vi, Buyer may either allow Seller an opportunity to cure or terminate the transaction by notice to Seller of such termination. If this

transaction is terminated upon non-satisfaction of any one of the above conditions, neither of the parties thereafter shall have any liability to the other except as expressly provided for in this Agreement, including that the Buyer may invoke the County's power of eminent domain to acquire the Property and both parties may enforce all rights in equity, including, without limitation, specific performance.

- 7.02 Seller's obligation to consummate the transaction contemplated by this Agreement is conditioned upon: (i) the Board of Supervisors adopting a Notice of Intention to Purchase the Property; (ii) the Board of Supervisors approving the purchase of the Property by June 13, 2006; and (iii) Buyer's deposit of the Purchase Price into escrow no later than ten (10) business days after all Contingencies set forth in Section 4 have been met. After non-satisfaction by Buyer of one of the above conditions, Seller may either waive the time limitation set forth therein or terminate the transaction by notice to Buyer of such termination. If this transaction is terminated as set forth herein, neither of the parties thereafter shall have any liability to the other except as expressly provided for in this Agreement, including that the Buyer may invoke the County's power of eminent domain to acquire the Property and both parties may enforce all rights in equity, including, without limitation, specific performance. If Seller does not object to Buyer's non-satisfaction of said conditions, they shall be deemed satisfied as of the Closing.
8. Closing. For the purposes of this Agreement, the "Closing" shall be defined as the recordation of the Grant Deed in the Official Records and the issuance of the Title Policy. The date upon which the Closing occurs is the "Closing Date". The parties agree to use their best efforts to effect the Closing by June 30, 2006. The parties may agree in writing to effect the Closing prior to the expected June 30, 2006 Closing Date if mutually acceptable. The parties may also agree in writing to extensions of the Closing if such extensions appear to either party to be necessary. If the Closing does not occur by said date or by any extended date agreed to by the parties in writing, either party, who is not then in default, may cancel this Agreement by delivering written notice of such cancellation to the other party and to Escrow Holder before Closing occurs.
9. Possession. Buyer shall be entitled to the exclusive right of occupancy to the Property as of the Closing, except as to Seller's license to use the Premises as set forth in Section 33 hereof. On or before the Closing, Seller shall provide keys or other means to operate all locks and alarms on the Property. Any personal property remaining after the vacation of the Property by Seller will be deemed abandoned and removed by Buyer, at Seller's expense, which expense may be set off against amounts otherwise due Seller hereunder.
0. Loss by Fire or Other Casualty. Seller shall maintain fire and casualty insurance on the Property in full force until the Closing. In the event that, prior to Closing, the Property or any part thereof, is destroyed or damaged, and the cost of repair or cure is \$10,000 or less, Seller shall repair or cure the loss to the satisfaction of Buyer prior to Closing. If the cost of repair or cure is more than \$10,000, Buyer shall have the right, exercisable by giving notice of such decision to Seller within



fifteen (15) days after receiving written notice of such damage or destruction, to terminate this Agreement. If Buyer elects to move forward with the sales transaction, Seller shall repair or cure the loss to the satisfaction of Buyer prior to Closing. If Seller fails to repair or cure the loss, in whole or in part, any proceeds of insurance paid or payable to Seller by reason of such damage or destruction shall be paid or assigned to Buyer.

11. Maintenance of the Property. Between the Seller's execution of this Agreement and the Closing, Seller shall maintain the Property in good order and condition.
12. Notices. All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested or by Express Mail or Federal Express to the following address:

To Buyer: County of Los Angeles  
Chief Administrative Office, Real Estate Division  
222 South Hill Street, 3rd Floor  
Los Angeles, California 90012  
Attention: William L. Dawson  
Phone: (213) 974-3078 - Fax: (213) 217-4971

With a Copy to:

Office of County Counsel  
Room 648 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012  
Attention: Kathleen Felice, Principal Deputy, County Counsel

To Seller: Mr. and Mrs. David Tung  
2811 Faber Street  
Union City, CA 94587

Notice shall be deemed given on the day delivered by a carrier as specified above. Notice of change of address shall be given by written notice in the manner detailed in this Section.

13. Brokers. Seller shall pay a sales commission to Colliers Seeley of two percent (2%) to be payable from funds in Escrow at the Close of Escrow. Buyer represents and warrants to Seller that Colliers Seeley has been engaged by it in connection with the transaction contemplated by this Agreement.
14. Seller's Representations and Warranties. In consideration of Buyer entering into this Agreement and as an inducement to Buyer to purchase the Property, Seller makes the following representations and warranties, each of which is material and is being relied upon by Buyer and the truth and accuracy of which shall constitute a condition precedent to Buyer's obligations hereunder. Each of the following representations and warranties shall be deemed to have been remade as of the Closing.

- 14.01 Power. Seller has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby.
- 14.02 Requisite Action. All requisite action has been taken by Seller in connection with entering into this Agreement and the instruments referenced herein, and, by the Closing, all such necessary action will have been taken to authorize the consummation of this transaction. By the Closing, no additional consent of any person or entity, judicial or administrative body, governmental authority or other party shall be required for Seller to consummate this transaction.
- 14.03 Individual Authority. The individuals executing this Agreement and the instruments reference herein on behalf of Seller have the legal power, right and actual authority to bind Seller to the terms and conditions hereof and thereof.
- 14.04 Validity. This Agreement and all documents required hereby to be executed by Seller are and shall be valid, legally binding obligations of and enforceable against Seller in accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganization, moratorium laws or similar laws or equitable principles affecting or limiting the right of contracting parties generally.
- 14.05 Violations. Seller has no present actual knowledge of any outstanding, uncured, written notice or citation from applicable governmental authorities of violation of any applicable codes, environmental zoning and land use laws, subdivision laws, and other applicable federal, state and local laws, regulations and ordinances, including, but not limited to, those relating to environmental conditions, hazardous materials or wastes, toxic materials or wastes or other similar materials or wastes regarding the Property.
- 14.06 Litigation. Seller has no present actual knowledge of any litigation pending or threatened against Seller on any basis therefor that arises out of the ownership of the Property or that might detrimentally affect the Property or adversely affect the ability of Seller to perform its obligations under this Agreement.
15. Buyer's Representations and Warranties. In consideration of Seller entering into this Agreement and as an inducement to Seller to sell the Property, Buyer makes the following representations and warranties, each of which is material and is being relied upon by Seller and the truth and accuracy of which shall constitute a condition precedent to Seller's obligations hereunder. Each of the following representations and warranties shall be deemed to have been remade as of the Closing.
- 15.01 Power. Buyer has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated hereby.
- 15.02 Requisite Action. All requisite action has been taken by Buyer in connection with entering into this Agreement and the instruments



referenced herein, and, by the Closing, all such necessary action will have been taken to authorize the consummation of this transaction. By the Closing, no additional consent of any person or entity, judicial or administrative body, governmental authority or other party shall be required for Buyer to consummate this transaction.

15.03 Individual Authority. The individuals executing this Agreement and the instruments reference herein on behalf of Buyer have the legal power, right and actual authority to bind Buyer to the terms and conditions hereof and thereof.

15.04 Validity. This Agreement and all documents required hereby to be executed by Buyer are and shall be valid, legally binding obligations of and enforceable against Buyer in accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganization, moratorium laws or similar laws or equitable principles affecting or limiting the right of contracting parties generally.

16. Inspection of the Site.

16.01 Seller agrees to provide Buyer and/or Buyer's employees, representatives and agents with access to the Property, upon reasonable notice, to conduct any inspections Buyer deems appropriate at any time prior to the Closing.

16.02 Buyer shall not engage in any destructive testing during any inspection of the Property, without the written consent of Seller.

17. Condition of Property. With the exception of Section 14, Buyer acknowledges that neither Seller, its agents, employees nor its other representatives have made any representations or warranties to Buyer regarding any matter relating to the Property, including but not limited to the Property's condition, fitness, environmental conditions, adequacy of design, suitability for a particular purpose, the effect of zoning and other applicable laws, regulations and governmental rulings, or the accuracy, completeness or relevance of any materials or information regarding the Property provided by Seller. Buyer agrees that Buyer is relying exclusively on Buyer's own independent investigation of all such matters.

18. Indemnity. Seller shall defend, indemnify, and hold Buyer and its elected and appointed officers, agents and employees free and harmless from and against any and all liabilities, damages, claims, costs and expenses (including without limitation, attorneys' fees, legal expenses and consultants' fees) related to or arising in whole or in part from the removal, eviction, vacation, or relocation of any occupant(s) of the Property, residing thereat at any time prior to the Closing.

19. Survival of Covenants. The covenants, indemnities, agreements, representations and warranties made herein are intended to survive the Closing and recordation and delivery of the Grant Deed conveying the Property to Buyer.

20. Required Actions of Buyer and Seller. Buyer and Seller agree to execute all such instruments and documents and to take all actions pursuant to the

provisions hereof in order to consummate this transaction and shall use their best efforts to effect the Closing in accordance with the provisions hereof.

21. Assignability. Buyer may assign, transfer or convey this Agreement to any person or entity without the prior written consent of Seller; and Buyer may designate a nominee to be vestee of the Property at the Closing by delivering to Seller and Escrow Holder at least five (5) days prior to the scheduled Closing a written notice of such designation. Any such designation shall not release Buyer from its obligations hereunder.
22. Entire Agreement. This Agreement contains the entire agreement between the parties hereto and no addition or modification of any term or provision shall be effective unless set forth in writing, signed by both Seller and Buyer.
23. California Law. This Agreement shall be construed in accordance with the laws of the State of California.
24. Waivers. No waiver by either party of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by either party of the same or any other provision.
25. Captions. The captions and the section and subsection numbers appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections of this Agreement nor in any way affect this Agreement.
26. Interpretation. Unless the context of this Agreement clearly requires otherwise, (i) the plural and singular numbers shall be deemed to include the other; (ii) the masculine, feminine and neuter genders shall be deemed to include the others; (iii) "or" is not exclusive; and (iv) "includes" and "including" are not limiting.
27. Severability. This Agreement shall not be deemed severable. In the event any portion of this Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, this Agreement shall be void and of no further effect.
28. Delegation of Authority. Buyer hereby delegates to its Chief Administrative Officer or his designee, the authority to issue any and all approvals required by this Agreement and to execute any and all instruments necessary to consummate this transaction.
29. Binding Effect. The provisions of this Agreement shall be binding upon the parties hereto and their respective successors-in-interest.
30. No Presumption Re: Drafter. The parties acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the parties and their attorneys, and this Agreement reflects their mutual agreement regarding the same. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any party to be the drafter of this Agreement, and therefore, no presumption for or against validity or as to any interpretation hereof, based upon the identity of the drafter shall be applicable in interpreting or enforcing this Agreement.



Assistance of Counsel. Each party hereto either had the assistance of counsel or had counsel available to it, in the negotiation for, and the execution of, this Agreement, and all related documents.

32. Eminent Domain. The parties acknowledge that Buyer has the authority to condemn the Property under its power of eminent domain. Buyer represents that it will institute eminent domain proceedings in the event that Seller does not sell the Property upon the terms and conditions set forth in this Agreement. The Revenue Code of 1986 (26 U.S.C.)

33. License Terms: The Buyer, for and in consideration of the performance of the covenants and agreements herein contained to be kept and performed by the Seller, upon the following terms and conditions, hereby licenses Seller (the "License") the nonexclusive use of approximately 45,000 square feet at the south end of the building on the Property in the area to be designated by Buyer (the "Premises"). Buyer will during the term of this License also occupy the Property and begin improvement thereof.

33.01 Term: The term of this License shall commence at Close of Escrow and shall end sixty (60) days thereafter, without holdover by Seller.

33.02 Consideration: The consideration for this License is included in the Purchase Price as set forth in Section 2 hereof.

33.03 Use: Buyer agrees that the Premises together with all appurtenances thereto belonging or in any wise appertaining, shall be used by the Seller for storage only of Seller goods and equipment pending Seller's relocation to a new facility, but under no circumstances for a period greater than sixty (60) days after Close of Escrow.

33.04 Repair, Maintenance and Replacement: During the term of this License, Seller agrees to repair, maintain and replace at Seller's own expense any portion of the Property damaged as a result of Seller's use of the Property. All repairs and replacements shall: (a) be made and performed by contractors or mechanics approved by Buyer; (b) be at least equal in quality, value and utility to the original work or installation, and (c) be in accordance with all laws.

33.05 Utilities: Seller agrees to pay when due all charges for the use of the sewer, effluent treatment, when and if imposed by any Government authority, all water, electricity, lighting and other charges accruing or payable for the Property during the term of this License.

33.06 Buyer's Access: Seller agrees to permit the Buyer or Buyer's authorized agents free access to the Premises at all times.

33.07 Indemnification and Insurance Requirements: During the term of this License, the following indemnification and insurance requirements shall be in effect.

A. Indemnification: Seller shall indemnify, defend and hold harmless Buyer, from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with Seller's use, repair, maintenance and other acts and/or omissions arising from and/or relating to the Premises.

Buyer shall indemnify, defend and hold harmless Seller, from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with Seller's use of the Property and the Premises.

B. Waiver: Both the Seller and Buyer each agree to release the other and waive their rights of recovery against the other for damage to their respective property arising from perils insured in the Causes-of-Loss Special Form (ISO form CP 10 30).

C. General Insurance - Seller Requirements: Without limiting Seller's indemnification of Buyer and during the term of this License, Seller shall provide and maintain the programs of insurance set forth in Section 33.07G,

D. Insurance Coverage Types and Limits – Seller Requirements: Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by Buyer, and such coverage shall be provided and maintained at Seller's own expense. Insurance is to be provided by an insurance company acceptable to Buyer with an A.M. Best rating of not less than A:VII, unless otherwise approved by Buyer.

E. Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory to Buyer shall be delivered to the Chief Administrative Office, Real Estate Division, 222 S. Hill Street, 4<sup>th</sup> floor, Los Angeles, CA 90012 Attn: Director of Real Estate, upon execution of this License. Such certificates or other evidence shall:

1. Specifically identify this Purchase and Sale Agreement.
2. Clearly evidence all coverages required in this Section 34.
3. Contain the express condition that Buyer is to be given written notice by mail at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of insurance.
4. Include copies of the additional insured endorsement (ISO form CG 20 26) to the commercial general liability policy, adding the Buyer as an additional insured.
5. Identify any deductibles or self-insured retentions exceeding \$25,000.



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F. Failure to Maintain Coverage: Failure by Seller to maintain the required insurance, or to provide evidence of insurance coverage acceptable to Buyer shall constitute a material breach of the Agreement. Alternatively, at its sole option, Buyer may purchase such required insurance coverage without further notice to Seller at Seller's sole cost and expense.

G. Insurance Coverage Types and Limits – Seller Requirements:

1. General Liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

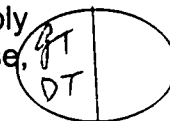
General Aggregate:	\$ 2 million
Products/Complete Operations Aggregate:	\$ 2 million
Personal and Advertising Injury:	\$ 1 million
Each Occurrence:	\$ 1 million
2. Commercial Property Insurance. Such insurance shall cover damage to the Property, including improvements and betterments, from perils covered by the Causes-of-Loss Special Form (ISO form CP 10 30), and include Ordinance or Law coverage. Be written for the full replacement cost of the Property, with a deductible of no greater than 5% of the Property value. Insurance proceeds shall be payable to the Buyer and the Seller as their interests may appear.
3. Workers Compensation and Employers' Liability insurance providing workers compensation benefits as required by the Labor Code of the State of California, and including Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million
4. Automobile Liability insurance (written on ISO policy form CA 0001 or its equivalent) with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all "owned", "hired" and "non-owned" vehicles (or for "any auto").

H. Notification of Incidents, Claims or Suits. Seller shall report to Buyer any accident or incident relating to activities performed under this License which involves injury or property damage which might reasonably be thought to result in the filing of a claim or lawsuit against Seller and/or Buyer. Such report shall be made in writing within 72 hours of Seller's knowledge of such occurrence.

I. Compensation for County Costs. In the event that Seller fails to comply with any of the indemnification or insurance requirements of this License,

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and such failure to comply results in any costs to Buyer, Seller shall pay full compensation for all reasonable costs incurred by Buyer.

33.08 Binding On Successors: Each and all of the terms and agreements herein contained shall be binding upon and shall inure to the benefit of the successors in interest of the Buyer, and wherever the context permits or requires, the successors in interest to the Seller.

33.09 Transfers Limitation: Seller certifies and agrees that all persons employed by Seller and/or by the affiliates, subsidiaries, or holding companies thereof are and shall be treated equally without regard to or because of race, ancestry, national origin, or sex, and in compliance with all Federal and State laws prohibiting discrimination in employment, including but not limited to the Federal Civil Rights Act of 1964; the Unruh Civil Rights Act; the Cartwright Act; the State Fair Employment Practices Act; and the Americans with Disabilities Act.

33.10 Default: Seller agrees that if default shall be made in any of the covenants and agreements herein contained to be kept by Licensee, Buyer may forthwith revoke and terminate this License, in addition to any of Buyer's other rights and remedies provided at law and in equity.

33.11 Surrender: Upon expiration of the term hereof or cancellation thereof as herein provided, Licensee shall peaceably vacate the Premises and deliver the Premises to County in reasonably good condition.

33.12 Enforcement: The County's Chief Administrative Officer shall be responsible for the enforcement of this License on behalf of Buyer and shall be assisted therein by those officers, employees, or committees of County having duties in connection with the administration thereof.

33.13 Conflict Of Interest: No County employee whose position in County service enables him/her to influence obtaining or awarding any lease, license or permit, and no spouse or economic dependent of such employee, shall be employed in any capacity by the Seller herein, or have any other direct or indirect financial interest resulting from this License.

33.14 Acknowledgment Of Ineligibility For Relocation Assistance: Seller hereby disclaims any status as a "displaced person" as such is defined in Government Code Section 7260 and hereby acknowledges his/her ineligibility for relocation assistance as provided in Government Code Section 7260 through 7276, inclusive, as interpreted in Title 25, Chapter 6, Section 6034(b) (1) of the California Administrative Code upon the future cancellation or termination of this License.

33.15. Taxation Of Licensed Area:

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A. The interest (as defined in California Revenue and Taxation Code Section 107) in the Premises created by this License may be subject to property taxation if created. The party in whom the property interest is vested may be subject to the payment of the property taxes levied on the interest.

B. Seller shall pay before delinquency all lawful taxes, assessments, fees or charges which at any time may be levied by the Federal, State, County, City, or any other tax or assessment-levying body upon the Premises and any improvements located thereon.

C. If Seller fails to pay any lawful taxes or assessments upon the Premises which Seller is obligated to pay, Seller will be in default of the License.

D. Buyer reserves the right to pay any such tax, assessment, fee or charge, and all monies so paid by Buyer shall be repaid by Seller to Buyer upon demand. Seller and Buyer agree that this is a license and not a lease and no real estate interest is being conveyed herein.

34. Limitation Of Authority: Only the Board of Supervisors has the authority, by formally approving and/or executing this Agreement, to bind the Buyer to the terms included herein. Seller understands that no material terms of this Agreement may be altered or deleted, nor may any new material terms be added to this Agreement, without the express written approval of the Board of Supervisors, either through an amendment to the Agreement or by other formal Board action.

No County officer, employee, agent, or independent contractor has any authority to alter, add or delete the material terms of this agreement, and Seller may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Agreement.

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**IN WITNESS WHEREOF**, Seller has executed this Agreement, or caused it to be duly executed and the County of Los Angeles, by order of its Board of Supervisors has caused this Agreement to be executed on its behalf by the Mayor of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, the day and year first above written.

**Seller:**

By: David Tung by Grace Tung his  
attorney-in-fact

By: Grace Tung

**Buyer:**

**COUNTY OF LOS ANGELES**  
a body politic and corporate

By: \_\_\_\_\_  
Mayor, Los Angeles County

**ATTEST:**

Sachi A. Hamai  
Executive Officer-Clerk

By: \_\_\_\_\_  
Deputy

**APPROVED AS TO FORM:**  
COUNTY COUNSEL  
RAYMOND G. FORTNER, JR.

By: Raymond G. Fortner, Jr.



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**EXHIBIT "A"**

**LEGAL DESCRIPTION OF PROPERTY**

**PARCEL A: (FEE)**

PARCEL 8 OF PARCEL MAP NO. 060741, IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, AS PER MAP FILED IN BOOK 326 PAGES 44 TO 47 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, MINERALS AND MINERALS RIGHTS, MINERAL ORES AND METALS AND OTHER USEFUL AND VALUABLE MINERAL DEPOSITS OF EVERY KIND, CHARACTER AND DESCRIPTION, INCLUDING IN PART ASPHALT, TAR, GAS OIL, PETROLEUM AND OTHER HYDROCARBONS THAT MAY BE OR HEREAFTER BE FOUND, DEPOSITED, CONTAINED OR DEVELOPED IN, UPON, FROM OR UNDER OR THAT MAY BE MINED, EXTRACTED, PUMPED, OR WITHDRAWN IN ANYWISE IN, UPON, FROM OR UNDER ALL OR ANY PART OF SAID LAND, AS EXCEPTED AND RESERVED BY JULIA M. BAKER, A WIDOW, IN THE DEED RECORDED FEBRUARY 21, 1935 IN BOOK 13278 PAGE 172 OFFICIAL RECORDS, AND REGISTERED FEBRUARY 4, 1935 AS DOCUMENT NO 1451-D, TORRENS.

**PARCEL B: (EASEMENT)**

NON-EXCLUSIVE EASEMENTS AS SET FORTH IN THAT CERTAIN INSTRUMENT ENTITLED MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND GRANT OF EASEMENTS FOR BLOOMFIELD BUSINESS PARK – PHASE II, RECORDED JUNE 24, 2005 AS INSTRUMENT NO. 05-1493066, SUBJECT TO THE TERMS THEREIN PROVIDED.

APN: 8011-016-032

EXHIBIT "B"  
GRANT DEED

RECORDING REQUESTED BY  
COUNTY OF LOS ANGELES

WHEN RECORDED MAIL TO:

County of Los Angeles  
222 South Hill Street, 3rd Floor  
Los Angeles, CA 90012  
Attention: Carlos Brea

Space above this line for Recorders use

THIS DOCUMENT IS EXEMPT FROM DOCUMENTARY TRANSFER TAX  
PURSUANT TO SECTION 11922 OF THE REVENUE & TAXATION CODE

ASSESSOR'S IDENTIFICATION NUMBER  
8011-016-032

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO  
SECTION 27383 OF THE GOVERNMENT CODE

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, DAVID TUNG and GRACE TUNG, husband and wife, (hereinafter called "Grantor") do hereby grant to the COUNTY OF LOS ANGELES, (hereinafter called "County") a body corporate and politic, all of the Grantor's rights, title and interests to that certain real property in the City of Santa Fe Springs, County of Los Angeles, State of California, legally described in Exhibit "A", attached hereto and incorporated herein by this reference.

SUBJECT TO:

1. All taxes, penalties and assessments of record, if any.
2. Covenants, conditions, restrictions, reservations, easements, rights, and rights-of-way, if any.

Grantor

Dated \_\_\_\_\_

By David Tung by Grace Tung his attorney-in-fact

By Grace Tung



**EXHIBIT "A"**

**LEGAL DESCRIPTION OF PROPERTY**

**PARCEL A: (FEE)**

PARCEL 8 OF PARCEL MAP NO. 060741, IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, AS PER MAP FILED IN BOOK 326 PAGES 44 TO 47 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, MINERALS AND MINERALS RIGHTS, MINERAL ORES AND METALS AND OTHER USEFUL AND VALUABLE MINERAL DEPOSITS OF EVERY KIND, CHARACTER AND DESCRIPTION, INCLUDING IN PART ASPHALT, TAR, GAS OIL, PETROLEUM AND OTHER HYDROCARBONS THAT MAY BE OR HEREAFTER BE FOUND, DEPOSITED, CONTAINED OR DEVELOPED IN, UPON, FROM OR UNDER OR THAT MAY BE MINED, EXTRACTED, PUMPED, OR WITHDRAWN IN ANYWISE IN, UPON, FROM OR UNDER ALL OR ANY PART OF SAID LAND, AS EXCEPTED AND RESERVED BY JULIA M. BAKER, A WIDOW, IN THE DEED RECORDED FEBRUARY 21, 1935 IN BOOK 13278 PAGE 172 OFFICIAL RECORDS, AND REGISTERED FEBRUARY 4, 1935 AS DOCUMENT NO 1451-D, TORRENS.

**PARCEL B: (EASEMENT)**

NON-EXCLUSIVE EASEMENTS AS SET FORTH IN THAT CERTAIN INSTRUMENT ENTITLED MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND GRANT OF EASEMENTS FOR BLOOMFIELD BUSINESS PARK – PHASE II, RECORDED JUNE 24, 2005 AS INSTRUMENT NO. 05-1493066, SUBJECT TO THE TERMS THEREIN PROVIDED.

APN: 8011-016-032

EXHIBIT "C"

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

County of Los Angeles  
Chief Administrative Office  
Real Estate Division  
222 South Hill Street, 3rd Floor  
Los Angeles, CA 90012  
Attn: William L. Dawson

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(Space Above For Recorder's Use)

This Memorandum of Option Agreement is recorded at the request and for the benefit of the County of Los Angeles and is exempt from the payment of a recording fee pursuant to Government Code Section 6103.

MEMORANDUM OF OPTION AGREEMENT

By this Memorandum of Option Agreement, COUNTY OF LOS ANGELES, a body politic and corporate ("Optionee") and David Tung and Grace Tung, husband and wife ("Optionor") agree as follows:

1. Optionor grants to Optionee the right to acquire, on the terms and conditions stated in that certain Option Agreement dated \_\_\_\_\_, 2006 that real property located at 12680-86 Corral Place in the City of Santa Fe Springs, County of Los Angeles, State of California, as more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference. This option must be exercised on or before June 30, 2006 (the "Option Expiration Date") by notice to Optionor, at which time the parties shall enter into escrow in accordance with the Agreement of Purchase and Sale of Real Property between the parties.

2. Unless a memorandum extending the above option is executed by all parties to the Option Agreement, or their successors in interest, and recorded before 5:00 p.m. on the Option Expiration Date, this document shall be of no effect against the persons who would otherwise be affected by it under California Civil Code Sections 1213 to 1220, as those sections may hereafter be amended.

[end — signature page follows]

  
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**IN WITNESS WHEREOF**, Each of David Tung and Grace Tung has executed this Agreement or caused it to be duly executed and this Agreement has been executed on behalf of the County of Los Angeles by the Chief Administrative Officer the day, month, and year first above written.

David Tung by Grace Tung his attorney-in-fact  
David Tung

Grace Tung  
Grace Tung

**ATTEST:**

CONNY B. McCORMACK  
Registrar-Recorder/County Clerk

By: Maurice F. Salame  
Deputy

**COUNTY OF LOS ANGELES**

DAVID E. JANSSEN  
Chief Administrative Officer

By: David E. Janssen

**APPROVED AS TO FORM:**

OFFICE OF THE COUNTY COUNSEL  
RAYMOND G. FORTNER, JR.

By: Raymond G. Fortner, Jr.  
Deputy County Counsel